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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

26 March 1981

MEMORANDUM FOR:

Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH

: Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM

Acting NIO for East Asia

SUBJECT

: Warning Assessment: East Asia

The following items were discussed by the Community Representatives at the $18\ \text{March Warning Meeting.}$ (U)

<u>Thailand</u>

Prime Minister Prem's latest cabinet contains a narrow representation of the political spectrum and is unlikely to survive the next several months. A combination of perceived ineffectiveness in coping with domestic pressures coupled with intensified political pressure could cause the Army to move to abrogate the Constitution and install a military government headed by Prem or some other military figure. Current fragmentation within the Army would complicate such a move but a consensus centered on the key units in the area around Bangkok would almost certainly develop if -- in the army's view -- the position of the government began to deteriorate. (S)

2. If a military regime comes to power in the near term it is not likely to have any direct or immediate impact on US interests in Thailand. A new military regime is not likely to alter current policy vis-a-vis Kamuchea but Bangkok's preoccupation with internal developments could weaken its leading role within ASEAN on the Kampuchea question even though the current foreign policy team stands a good chance of being retained under a new government. (C)

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Indochina Military Situation

- 3. Analysts noted that a recent report of a clash on the Sino-Vietnamese border has not been confirmed; there have, been no reports of increased military movements along the border to suggest that significant military activity is in the offing. (S)
- 4. There are a number of indications which suggest that Hanoi may be gearing up for some extensive military action in Western Kampuchea as the dry season draws to a close. The Vietnamese are shifting fresh and experienced combat troops into the area, possibly to relieve unreliable southern recruits. The Vietnamese may intend to launch large sweep operations along the border with the objective of entrapping DK units that have moved deeper into Kampuchea in the absence of significant Vietnamese activity to date. If this is the case, the prospect of the sweeps spilling over into Thailand will increase significantly. (S)

Soviet Involvement in Indochina

5. Soviet presence in Laos, Kampuchea and Vietnam continues to grow. Soviet use of facilities at Cam Ranh Bay continues with increasing evidence of Soviet autonomy in the operation of facilities there. In Kampuchea the Soviets are taking on a direct support role; while in Laos Soviet advisors have been reported outside the Vientiane area. (S)

China

6. Recent government appointments -- specifically Geng Biao as Defense Minister -- are seen as strengthening Deng Xiaoping's hand. Nonetheless, Deng continues to face opposition. Those opposed to the new economic readjustments have not been eliminated though their influence and activities are circumscribed. Additional indicators on the power equation should be evident at the forthcoming Party Plenum -- now overdue. If the Plenum is held soon it will demonstrate the strength of Deng's position. Further delay suggests continuing -- and as yet uncontrolled -- divergences of view. The status of Hua Guofeng remains unsettled; and the evaluation of Mao, a controversial issue. (C)

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